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THRU : Chief, Transportation Branch, OPR
THRU : Chief, Services Division, ER
THRU : Chief, Industrial Division, OIR
Chief, Producers' Equipment Branch, D/I/ER

1 August 1958

Planned Intensity of Research and Reporting by Producers' Equipment Branch.

REFERENCE: (a) Chief, D/I Memo of 19 June 1958 - subject as above.
(b) Chief, S/IR Memo of 3 July 1958 - subject as above.

1. We greatly appreciate your detailed comments on the I/PE research program as it applies to items of interest to S/IR. Such comments are helpful in orienting our research toward the needs of the intelligence community.

2. We are glad that the I/IR program on the USSR conforms with your needs. We are disturbed, however, over your reaction to our efforts on the Far Eastern Area and feel that our research on Communist China is more intensive than you concluded from our memo.

3. First we should clarify the meaning of the 2a category. You state that for motor vehicles and locomotives in China, I/PE "will provide only summary numbers, plant data, and estimates of technological capability." We intended to convey by this 2a category an intensive level of maintenance that would enable us to answer the questions of our consumers. The only difference between the 2a and 1a category is that no formal reports are scheduled under the former.

4. Railroad freight cars in China, on the other hand, are in a 2b category, for which we would be prepared to supply national production figures, but would not supply production data for individual plants. We do, however, maintain current plant files. We placed railroad passenger cars in Category 3 in the belief, perhaps an erroneous one, that S/IR was not maintaining inventory figures on passenger cars. We will be glad to change this item to 2b if you so desire.

5. For China, East Germany, Hungary and Rumania, as we noted in Reference (a), NIS contributions are scheduled for FY 59 and FY 60. This means that research for these countries will be more intensive than indicated by the priority numbers and should be adequate to supply S/IR with the information it needs. In addition, we will supply production data on motor vehicles, locomotives, and

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Equipment Branch.**


freight cars for the remaining Bloc countries in our annual IIR contributions.

6. Although we did not mention North Korea and North Vietnam in our memo, we are closely following developments in the manufacture of transportation equipment in those countries.

7. Rest assured that we have maintained and will continue to maintain close working level liaison with the Factory Marking Staff on all countries of the Sino-Soviet Bloc.

8. I/PE has one analyst working full time on motor vehicles and tractors and another on railroad equipment. The latter has completed a branch project on the Soviet locomotive industry. For FY 59, in addition to IIR and IIR contributions, he will prepare a branch project on the participation of the Soviet railroad equipment industry in production of special rolling stock for the guided missile program.

9. We trust that these comments will clarify the somewhat cryptic picture presented by our use of priority numbers. If you still feel that we should adjust our research program in any respect to better fulfill S/TR's needs, we will be glad to consult with you further on this matter.

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